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The Michigan Grocers Association urges support of House Bill 5660, which would amend the Michigan Beverage Container Law to exclude alcohol pouch containers from the bottle deposit.

The Michigan Department of Treasury is moving forward on a rule that will require all alcoholic beverages sold in a pouch to have a Michigan 10 cent deposit. Our industry is opposed to this proposed rule for the following reasons:

1. The law, when passed in 1976, did not include beverage pouches as the packaging was not yet developed for retail use.
2. Reverse Vending machines, used by retailers to redeem deposit containers cannot accept a beverage pouch. The machines currently in use cannot be retrofitted to read the pouch. RVM makers have indicated that a new machine would have to be developed, rendering all current machines obsolete. Retailers purchase or lease all RVM's at their own expense, with a starting price of \$14, 000 per machine.
3. If a machine was developed to accept pouches, the pouch material could not be co-mingled with glass or aluminum, requiring a retailer to purchase a separate machine to handle the pouches.
4. The pouch cannot be recycled. Environmental groups have indicated the technology is not available to reuse the pouch material.
5. If a deposit is required on a pouch, it cannot be placed in a landfill under existing Michigan law.
6. Retailers would be forced to store the pouch containers until a distributor claimed them, creating foul odors and unsanitary conditions in the grocery store.